

Annual Cost of Living Index, 2007

An Update of South Carolina Sub-state Index

May, 2009

Introduction

This study updates the South Carolina Annual Cost of Living Index with newly available income, housing, and population data from 2007. The index quantifies the variation in the purchasing power of the US dollar over time and across geographical locations, including not only states but also counties and metropolitan areas. This study updates the original Annual Cost of Living Index¹, which was based on the work of Berry, Ford, and Hanson (2000² and 2004³).

Results

First, the updated state Annual Cost of Living Index for 2007 is presented in Table 1. South Carolina ranks 42nd among the 48 contiguous United States in per capita income for 2007.⁴ Once adjusted for the cost of living, South Carolina rises to 33rd. Figure 1 displays the statewide data in a map of the states. The Annual COLI can be interpreted as a gauge of the amount of money required to maintain a set standard of living. Thus, in South Carolina, only 86% of the average national cost is required to maintain the same standard of living.

Table 1: Annual Cost of Living Index by State, 2007 (US = 1.00)

State	Annual COLI	PCI		Adjusted PCI	
		\$	Rank	\$	Rank
United States	1.00	\$38,615	-	\$38,615	-
Alabama	0.83	\$32,419	40	\$38,965	20
Arizona	1.05	\$32,833	39	\$31,329	44
Arkansas	0.80	\$30,177	45	\$37,911	25
California	1.41	\$41,805	7	\$29,649	46
Colorado	1.26	\$41,192	11	\$32,614	40
Connecticut	1.33	\$54,981	1	\$41,464	12
Delaware	1.03	\$40,112	14	\$38,831	21
Florida	0.89	\$38,417	18	\$43,360	5
Georgia	0.91	\$33,499	35	\$37,015	29
Idaho	1.01	\$31,804	41	\$31,396	43
Illinois	0.97	\$41,012	13	\$42,324	9
Indiana	0.86	\$33,215	38	\$38,443	23
Iowa	0.85	\$34,916	29	\$40,981	14
Kansas	0.86	\$36,525	21	\$42,422	8
Kentucky	0.83	\$30,824	43	\$36,959	30
Louisiana	0.84	\$35,100	27	\$41,736	10
Maine	1.04	\$33,991	32	\$32,558	42
Maryland	1.06	\$46,471	5	\$43,882	3
Massachusetts	1.37	\$48,995	3	\$35,685	34
Michigan	0.92	\$34,423	31	\$37,580	28
Minnesota	0.97	\$41,105	12	\$42,596	7
Mississippi	0.79	\$28,541	48	\$36,358	32
Missouri	0.86	\$33,964	33	\$39,678	16
Montana	1.00	\$33,225	37	\$33,292	39
Nebraska	0.88	\$36,372	22	\$41,285	13
Nevada	1.17	\$39,853	15	\$34,033	36
New Hampshire	1.19	\$41,639	9	\$34,903	35
New Jersey	1.31	\$49,511	2	\$37,737	26
New Mexico	1.01	\$30,706	44	\$30,372	45
New York	1.21	\$46,364	6	\$38,413	24
North Carolina	0.90	\$33,735	34	\$37,609	27
North Dakota	0.87	\$36,082	24	\$41,713	11
Ohio	0.88	\$34,468	30	\$39,124	18
Oklahoma	0.80	\$34,997	28	\$43,856	4
Oregon	1.19	\$35,143	26	\$29,458	47
Pennsylvania	1.01	\$38,793	17	\$38,600	22
Rhode Island	1.19	\$39,829	16	\$33,414	38
South Carolina	0.86	\$31,103	42	\$36,124	33
South Dakota	0.87	\$35,760	25	\$40,962	15
Tennessee	0.86	\$33,395	36	\$39,058	19
Texas	0.80	\$37,083	20	\$46,181	1
Utah	1.16	\$29,831	46	\$25,716	48
Vermont	1.12	\$37,483	19	\$33,557	37
Virginia	0.98	\$41,727	8	\$42,753	6
Washington	1.26	\$41,203	10	\$32,597	41
West Virginia	0.80	\$29,385	47	\$36,640	31
Wisconsin	0.92	\$36,272	23	\$39,298	17
Wyoming	1.03	\$47,047	4	\$45,632	2

Source: Per Capita Income from Bureau of Economic Analysis, Local Area Personal Income series

¹ Wang, W., Masoudie, L., and Gunnlaugsson, R. (2009) "Annual Cost of Living Index Applied to South Carolina Sub-state Areas." South Carolina Department of Commerce Discussion Paper.

² Berry, W., Fording, R., and Hanson, R. (2000) "An Annual Cost of Living Index for the American States, 1960-1995," *The Journal of Politics*, 62:2, 550-67.

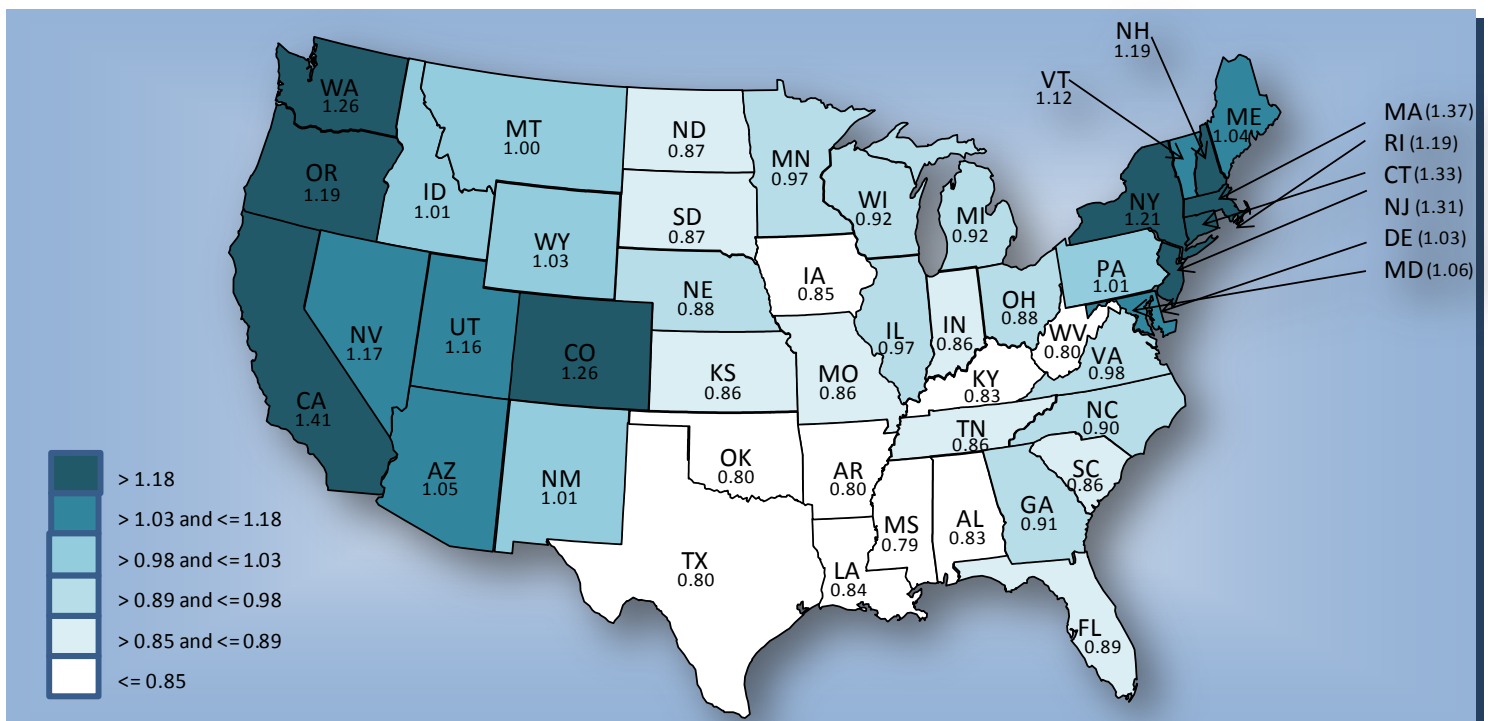
³ Berry, W., Fording, R., and Hanson, R. (2004). An Updated Cost of Living Index for the American States: 1960-2003. Retrieved 12/21/2008, from <http://webapp.icpsr.umich.edu>.

⁴ Alaska and Hawaii were excluded for reasons previously described by Berry et. al.

In addition, the Annual COLI can be translated to measure the “purchasing power” of a locality or region. Purchasing power refers to the effective value of money in terms of the quality and quantity of goods and services that can be purchased with it. Inverting the Annual COLI provides this measure of purchasing power, thus states and

regions with lower cost of living values have higher purchasing power. For South Carolina, the effective purchasing power is \$1.16. That is, the average value of \$1 across the United States can purchase \$1.16 worth of goods and services in South Carolina.

Figure 1: United States Annual Cost of Living Index, 2007
(US = 1.00)



Note: The Annual Cost of Living Index can be interpreted as a gauge of the amount of money required to maintain a set standard of living. Thus, in South Carolina, only 86% of the average national cost is required to maintain the same standard of living.

Table 2 provides the 2007 values of the Annual Cost of Living Index for all South Carolina counties as well as the state. Beaufort is the only South Carolina county that exceeds the national average. Additionally, each county’s per capita income is reported, as well as the per capita income adjusted by the cost of

living factor. Figure 2 displays the Annual COLI for each South Carolina county.

Table 3 provides a comparison of South Carolina metropolitan regions with others throughout the United States as well as the Southeast.

Table 2: South Carolina Annual Cost of Living Index by County, 2007 (US = 1.00)

County	Annual COLI	PCI	Adjusted PCI
Abbeville	0.80	\$23,829	\$29,675
Aiken	0.84	\$31,253	\$37,030
Allendale	0.74	\$21,928	\$29,592
Anderson	0.84	\$29,084	\$34,748
Bamberg	0.78	\$22,689	\$29,014
Barnwell	0.79	\$22,480	\$28,528
Beaufort	1.26	\$45,427	\$36,110
Berkeley	0.85	\$28,848	\$34,059
Calhoun	0.84	\$31,156	\$36,958
Charleston	0.98	\$38,702	\$39,654
Cherokee	0.80	\$24,794	\$30,877
Chester	0.78	\$26,488	\$33,786
Chesterfield	0.78	\$24,533	\$31,372
Clarendon	0.82	\$23,372	\$28,572
Colleton	0.81	\$25,402	\$31,438
Darlington	0.81	\$28,498	\$35,139
Dillon	0.76	\$21,439	\$28,209
Dorchester	0.89	\$29,092	\$32,578
Edgefield	0.85	\$26,743	\$31,388
Fairfield	0.81	\$25,725	\$31,799
Florence	0.84	\$31,802	\$37,815
Georgetown	0.95	\$34,694	\$36,405
Greenville	0.91	\$35,076	\$38,630
Greenwood	0.83	\$27,297	\$32,967
Hampton	0.78	\$23,584	\$30,197

County	Annual COLI	PCI	Adjusted PCI
Horry	0.92	\$28,307	\$30,668
Jasper	0.84	\$26,415	\$31,597
Kershaw	0.87	\$31,834	\$36,802
Lancaster	0.80	\$22,076	\$27,734
Laurens	0.81	\$26,237	\$32,593
Lee	0.76	\$22,066	\$29,111
Lexington	0.90	\$34,744	\$38,562
Marion	0.79	\$22,145	\$27,996
Marlboro	0.77	\$20,384	\$26,646
McCormick	0.77	\$23,166	\$30,047
Newberry	0.83	\$26,494	\$32,036
Oconee	0.89	\$31,675	\$35,590
Orangeburg	0.79	\$26,419	\$33,273
Pickens	0.86	\$26,624	\$30,922
Richland	0.87	\$34,434	\$39,579
Saluda	0.84	\$28,778	\$34,423
Spartanburg	0.84	\$28,971	\$34,613
Sumter	0.81	\$27,576	\$33,877
Union	0.78	\$26,230	\$33,457
Williamsburg	0.77	\$21,644	\$28,256
York	0.94	\$32,627	\$34,784
South Carolina	0.86	\$31,103	\$36,124
United States	1.00	\$38,615	\$38,615

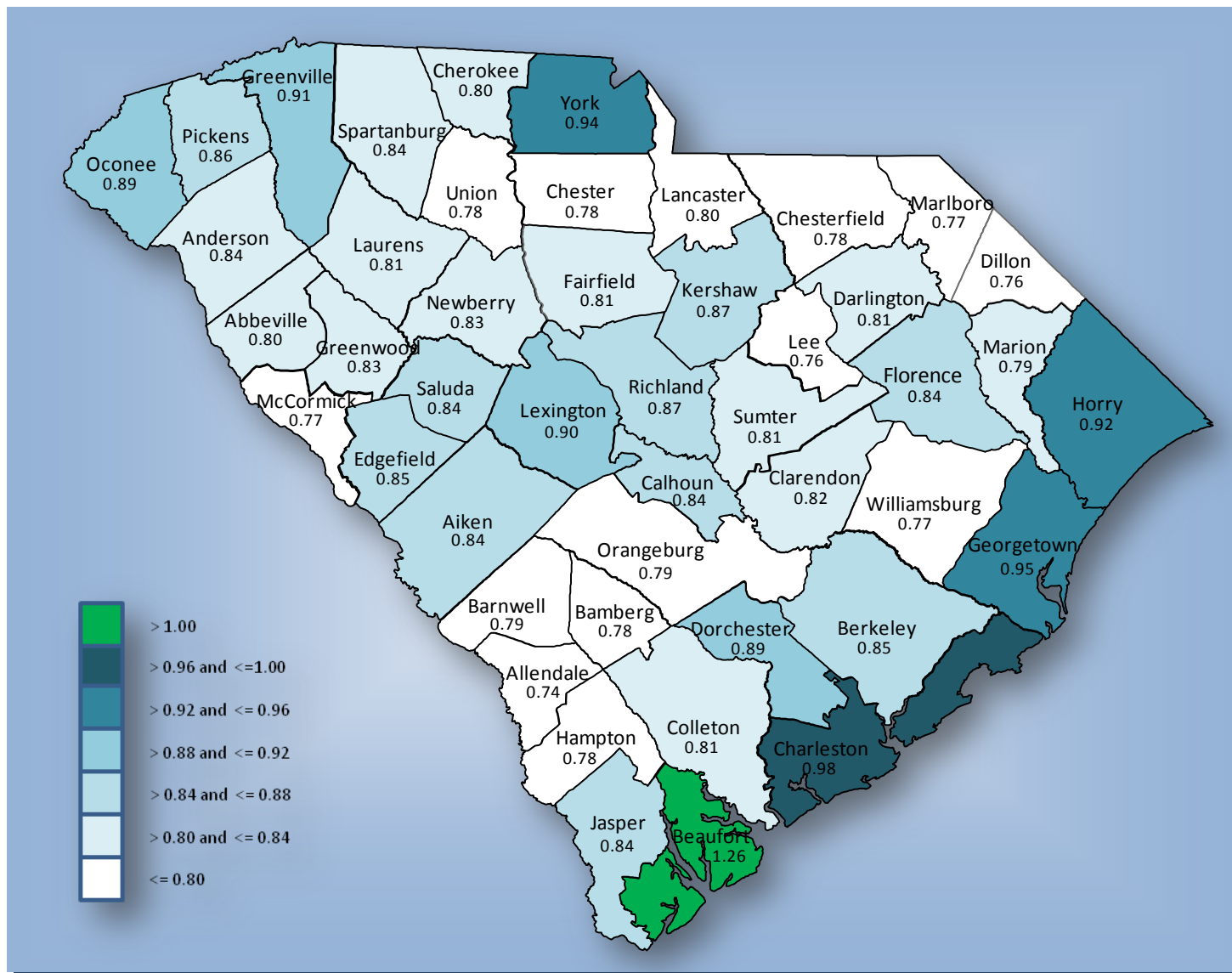
Source: Per Capita Income from Bureau of Economic Analysis, Local Area Personal Income series

Table 3: Annual Cost of Living Index by MSA, 2007 (US = 1.00)

MSA	Annual COLI
Atlanta-Sandy Springs-Marietta, GA	0.94
Anderson, SC	0.84
Augusta-Richmond County, GA-SC	0.82
Austin-Round Rock, TX	0.94
Baton Rouge, LA	0.86
Birmingham-Hoover, AL	0.86
Boston-Cambridge-Quincy, MA-NH	1.32
Charleston-North Charleston-Summerville, SC	0.90
Charlotte-Gastonia-Concord, NC-SC	0.93
Charlottesville, VA	1.01
Chicago-Naperville-Joliet, IL-IN-WI	0.99
Columbia, SC	0.87
Dallas-Fort Worth-Arlington, TX	0.84
Detroit-Warren-Livonia, MI	0.92
Florence, SC	0.83
Gainesville, FL	0.87
Greensboro-High Point, NC	0.89
Greenville, SC	0.85
Houston-Sugar Land-Baytown, TX	0.82
Los Angeles-Long Beach-Santa Ana, CA	1.30

MSA	Annual COLI
Louisville-Jefferson County, KY-IN	0.87
Miami-Fort Lauderdale-Pompano Beach, FL	0.92
Minneapolis-St. Paul-Bloomington, MN-WI	0.97
Mobile, AL	0.82
Myrtle Beach-North Myrtle Beach-Conway, SC	0.92
Nashville-Davidson-Murfreesboro-Franklin, TN	0.93
New Orleans-Metairie-Kenner, LA	0.87
New York-Northern New Jersey-Long Island, NY-NJ-PA	1.33
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.05
Phoenix-Mesa-Scottsdale, AZ	1.02
Raleigh-Cary, NC	1.01
Richmond, VA	0.91
Roanoke, VA	0.89
San Francisco-Oakland-Fremont, CA	1.94
Savannah, GA	0.87
Seattle-Tacoma-Bellevue, WA	1.31
Spartanburg, SC	0.84
Sumter, SC	0.81
Washington-Arlington-Alexandria, DC-VA-MD-WV	1.05
Wilmington, NC	0.97

Figure 2: South Carolina Annual Cost of Living Index by County, 2007
(US = 1.00)



Note: The Annual COLI can be interpreted as a gauge of the amount of money required to maintain a set standard of living. Thus, in Richland County, only 87% of the average national cost is required to maintain the same standard of living.